

SPOONER ADVOCATE

Obey defends "public option";

09/03/2009

Thirteen thousand people in the Seventh Congressional District gathered around their telephones Monday night to hear Congressman Dave Obey defend health care reforms, including the heavily debated "public option" proposed by President Barack Obama and the U.S. House of Representatives.

Obey's office said the Congressman invited 50,000 of his constituents to participate in a telephone conference call Monday night about health care reform. Some were able to ask questions.

At 7:30 p.m., Obey came over the line and said he wanted to spend five minutes on background information – which turned into almost 14 minutes – and then take questions from citizens. Obey said the country experienced a near-financial collapse of banks of almost \$3 trillion dollars the last three months of 2008, the normal engines of economic recovery in the housing and automobile markets were also in disarray, and the Federal Reserve was unable to lower interest rates any lower to make a difference in those two markets so the government had to step in and create the stimulus packages that addressed one-third of the shortfall, \$1 trillion.

Obey said health care fits into the national strategy for getting the economy to right itself for the future.

"We had to face squarely the fact that we are never going to get a handle on the budget deficit as long as health care spending continues to spiral out of sight," he said.

Obey said other presidents had attempted major health care reform and failed, starting with President Franklin Roosevelt and moving to Presidents Harry Truman, Richard Nixon, and Bill Clinton.

He said Clinton attempted reform when 12 percent of the national income had gone to health care. Today it has risen to 16 percent.

Obey said rising health care costs are hurting the economy and creating a negative effect on workers' wages because so much of the wage packages are directed at health care premiums that workers do not see noticeable pay increases.

"It is wiping out the ability of workers to receive wage increases across the country," he said.

Small businesses, said Obey, have difficulty offering health care to workers and "about 920 bankruptcies in the district last year were caused primarily by health care costs."

Obey said health care reform is about giving every person the chance to choose from an array of private insurers and one public option similar to Medicare.

"We would try to make those plans more affordable by providing tax credits to small businesses and exempt those small businesses with less than \$500,000 of business and give purchasing credit to individuals and families who need to buy insurance in the first place," he said.

The proposed reform, said Obey, would prevent insurance companies from rejecting those with a prior health condition.

He said the proposed reform would allow workers more flexibility in changing jobs and would eliminate yearly out-of-pocket expense to \$5,000 and eliminate a lifetime cap of benefits.

"In the end, we are trying to make health care affordable for everyone," he said.

Obey said he realized the changes are "bound to be controversial and bound to be confusing" but they are worth the effort to "clean up up health care."

Questions

A woman from Wisconsin Rapids said she is worried about her daughter who had been a nurse's aide for over 20 years but made less now than 20 years ago because more wages are taken for premium.

A caller from Chippewa Falls asked what could be done to make sure "health care reform is a reality for all."

Obey encouraged her to "learn as much possible" about the proposed legislation, "about what is in the bill and what isn't."

He said some "outlandish allegations" have been made about the proposed legislation.

"This is not an issue that can be imposed from Washington," said Obey. "Washington and the Congress will not pass something that is very good unless the American public is behind it and make their views known."

Dorothy from Merrill asked if the proposed bills would use public money to pay for abortions.

Obey said no public funds would be used to cover abortion other than for rape, incest or to

save the life of the mother, but he said some private insurers could cover abortion costs.

Ann from Dorchester, a recent nursing graduate, questioned how the reforms could be paid for and how to prevent the cost from being passed on to her children and grandchildren.

Obey said the Congressional Budget Office has "certified" that the bill is "paid for by a number of devices," including a 1 percent surtax for those making over \$350,000 as individuals and \$500,000 as a couple, paying for roughly half the cost, reducing inefficiencies in Medicare such as overpayments to Medicare programs, reducing the 14 percent drug subsidy cost to private insurers, and changing ways providers are reimbursed to benefit health care providers, as in Minnesota and Wisconsin, which produce "quality benefits at lower cost," he said.

Mike from Medford said, "I don't trust Congress with something this big. Why don't we do things incrementally, like tort reform?"

Obey said the problem is health care has been "built incrementally" and "we have never had a system that makes structural sense because we have added piecemeal to the system for years."

He said if health care costs are not brought under control, the country would be paying 25 percent of its income to health care.

Joe, a doctor from Cumberland who has practiced medicine for over 25 years, said he is concerned that recent legislation had been driven by "crises" and he was not confident legislators even read the complicated bills they were for voting for.

Joe said there is a need to reform "existing health care condition restrictions" and tort reform.

"If you fix those issues, it would go a long way in health care," said Joe. "I disagree with the rhetoric that our health care system is broken. We have the best health care system in the

world. We have people come here from all over the world. We have components of it that are broken."

He added, "We don't want ration care; we don't want government-run health care. If you have a government option you will run the independent [insurers] out of business."

Obey said he had gone over "every page of the bill" and there had been sessions in the House in three successive nights to go over all the sections of the bill.

He said the "public option" gives people the opportunity to select, but he said The Congressional Budget Office estimated an additional 3 million will join private insurers and 10 million to 11 million will choose the public option.

"The value of a public option is it gives you the opportunity to try to create pressure on the private insurance companies to hold costs down," said Obey, adding that he is not convinced the public option would drive private insurance companies out of business.

"The only way that is going to happen is if they give lousy service," said Obey.

Michael from Amherst said he is concerned that his company would drop its insurance for the public option to lower the company's costs.

Obey said to encourage companies to not drop the coverage for workers, the reform would include an 8 percent penalty. However, he said, he does not know if 8 percent is a sufficient inducement but the reform also adds a 50 percent tax credit for companies that do insure.

Because reform will require everyone to be insured, he said, the public option is necessary.

"Without the public option, the insurance companies are getting 50 million new customers without us gaining anything in return," he said.

Margaret from Lake Nebagama asked why end-of-life counseling is addressed in the reform when that service is available.

Obey said there are many difficult end-of-life issues, which can be confusing choices and "very frightening and very confusing."

"All this bill said is it provides small reimbursement for any physician who takes the time to answer any questions that any of these patients might have," he said.

Obey said it was "outrageous" to suggest the bill creates a "death panel." He said opponents of the reform are using "fear mongering" and are "taking advantage of people's fears."

Joan from Wausau commented that a society is judged by how it treats the poor, uninsured, and the elderly who live on a limited income, and then she asked if cuts would be made to existing Medicare benefits under the reform.

Obey said services would not be cut but reform would extend the "financial soundness of Medicare by five years," lower the co-payment premium cost of preventative services seniors pay, and lower seniors' drug costs, cutting as much as \$50 billion to \$80 billion in drug costs alone.

Original article is located [here](#) .